

AGENDA REPORT

OVERSIGHT BOARD FOR THE CITY OF MAYWOOD
AS SUCCESSOR AGENCY OF THE MAYWOOD
COMMUNITY REDEVELOPMENT AGENCY

DATE: DECEMBER 12, 2012

TO: HONORABLE CHAIR AND MEMBERS OF THE OVERSIGHT BOARD

FROM: ANDRE DUPRET, PROJECT MANAGER

SUBJECT: CONSIDERATION OF A RESOLUTION BY THE MAYWOOD OVERSIGHT BOARD APPROVING A DUE DILIGENCE REVIEW OF NON-LMIHF ACCOUNTS AND RECEIVING PUBLIC COMMENT PURSUANT TO HEALTH AND SAFETY CODE SECTION 34179.5 ET. SEQ.

RECOMMENDATION

That the Maywood Oversight Board consider approval of a Due Diligence Review ("DDR") of Non-Low and Moderate Income Housing Fund ("LMIHF") accounts and open a public comment period to receive comments of the DDR, and consider a Resolution authorizing the City of Maywood Successor Agency staff to transmit the DDR it to the State of California Department of Finance ("DOF") and other required governmental entities pursuant to Health and Safety Code Section 34179.5 et. seq.

FISCAL IMPACT

Based on the Due Diligence Review prepared by the auditor, the balance held in the Maywood Successor Agencies non-LMIHF account is in the amount of \$4,808 which must be remitted to the County of Los Angeles to be distributed to the other taxing entities.

BACKGROUND

An independent audit was conducted pursuant to Health and Safety Code Section 34179.5 to determine the unobligated balances available in the Maywood Successor Agencies accounts for transfer to affected taxing entities. The Due Diligence Review is attached hereto for the Maywood Oversight Board's review and approval.

DISCUSSION

Due Diligence Review Procedure

Under Health and Safety Code Section 34179.5 et. seq., an audit commonly referred to as a Due Diligence Review (“DDR”) of all Successor Agency balances is required. The DDR is conducted in two parts. First, a review of the LMIHF is completed and submitted to the Successor Agency for review and transmittal to the Oversight Board by October 1, 2012.

Thereafter, a DDR of all other accounts is performed following the same procedure set forth above. At today’s meeting, the DDR is submitted to the Oversight Board for its initial review and to receive any public comments. The public comment period must run for a minimum of five consecutive days. After receiving public comment, the DDR will be submitted to the Oversight Board again at its regularly scheduled meeting on January 16, 2013 for approval and for authorization to transmit the DDR to the DOF.

Independent Audit Conducted to Make These Findings

The Due Diligence Review (“DDR”) of other non-LMIHF accounts was an independent audit by the public accounting firm Moss Levy & Hartzheim (“Auditor”)¹ based upon procedures developed by the Certified Public Accountant Society, the State of California Controller’s Office and the DOF.

The Auditor performed the DDR procedures solely to assist in ensuring that the Successor Agency of the Redevelopment Agency of the City of Maywood complied with its statutory requirements with respect to AB 1484.

The results of the DDR finds that the Successor Agency must remit a total of \$4,808 in non-LMHIF funds to the County of Los Angeles Auditor-Controller for disbursement to other taxing entities.

Conclusion

In conclusion, the Due Diligence Review was performed by an independent auditor pursuant to procedures set forth by the State of California Department of Finance.

The Due Diligence Review findings should be remitted to the County of Los Angeles for disbursement to the other taxing entities.

¹ The Auditor has no previous affiliation to the Maywood Successor Agency or the former redevelopment agency prior to the audits conducted pursuant to ABx1 26.

Thus, the Successor Agency respectfully requests the Maywood Oversight Board approve the Due Diligence Review at the appropriate time and authorize Successor Agency staff to transmit the document to the State of California Department of Finance and other required governmental entities pursuant to Health and Safety Code Section 34179.5 et. seq. by the deadline of January 15, 2012.

Attachments: 1) Resolution
2) Due Diligence Review